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EVOLVING BRANDING LOGIC- THE IMPLICATIONS OF CHANGING CONSUMER ROLE IN BRAND VALUE CREATION

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Abstract

Branding as a marketing practice is centuries old, but it has developed remarkably since it was first introduced. Branding has developed from a goods orientation into process orientation. Earlier, consumers were seen as targets to whom companies promoted their brands. Today however, consumers have an increasingly important role in brand value creation.

This paper focuses on how branding practices have evolved in last decades together with how brand value is created. Also, it focuses on reviewing how the role of the consumer has changed and what the implications of this change are for brand value creation today.

The study first draws a chronological perspective on how branding has evolved over the years. Then, it reviews how the role of the consumer is changing in the marketplace today. Finally, the study presents a number of implications, also managerial, that the changing role of the consumer has for brand value creation.

Postmodern consumers seek individualism. They want to be part of creating perceptions and meanings and to be the co-creators of their own lives. This quest for individualism, together with technological developments, has enabled consumers to develop opportunities to influence their own lives. Consumer co-creation can be seen as a manifestation of consumer engagement.

Individuals alone and together in brand communities increasingly participate in co-creational activities. Brand value is co-created by all stakeholders of a brand. This implies that brands must also be managed differently. Important in brand management today is to include different stakeholders in value co-creation and fostering good relationships with all these stakeholders. Also, perhaps contradictory to manage brands effectively, the obsession of control over brands should be replaced with the ability to influence.

Keywords branding, brand value, co-creation, consumer, prosumer

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1 Introduction

This literature review examines how branding as a marketing practice has evolved over the last decades and how brand value is created today. In addition, literature on how the role of the consumer has changed and how this change has affected brand value creation today is reviewed. It is argued, that consumers are more engaged and brand value is increasingly co-created by all the stakeholders of a brand in the marketplace today.

According to sociological studies, the aestheticization of everyday life is one of the strongest characteristics of postmodern European societies, together with the rise of individualism and the growing role of consumption (Cava & Cava 2012). Postmodernity emphasizes the individual's quest for liberation (Jameson 1991). The concept of postmodernism presents individuals wanting to free themselves from common ideas and from the severity of family, education and sexuality. Individuals are in a quest managing their actions with the fewest restrictions and the largest amount of possible choices (Jameson 1991).

In the age of postmodernism, individuals reject ruling values or everything that is considered average. Postmodern individuals reject the perceptions that institutions or companies try to give them. Instead, they want to create meanings themselves and live their own way, constructing meanings and becoming the co-producers of their own lives. This resistance is a concrete means for consumers to gain power and autonomy. (Cova & Cova 2012.)

Technological development has affected consumers in several ways. It has enabled consumers to gain access to a vast amount of information, making consumers more intelligent and more informed, and it has helped facilitate a higher degree of personal control (Labrecque et al 2013; Seybold 2001). The relationship between knowledge and power needs to be taken into consideration as knowledge and power are interconnected; a claim of truth is also a claim of power (Denegri-Knott, Zwick, Schroeder 2006). With the development of social platforms, consumers are able to create content and share experiences throughout the globe. Influencers and opinion leaders have an increasing impact on consumers' consumption decisions. (Labrecque et al 2013.)

The changing role of a consumer also challenges marketing practices and branding practices. The branding practices have evolved over the course of the last decades, shifting brand value creation from the company increasingly to value co-creation with consumers and other stakeholders of the brand. As a one key challenge in the branding logic identified by Merz et al. (2009), is how different stakeholders of brands should be taken into consideration and managed. Thus, brands are no longer solely firm owned assets transmitting consumers value and pre-defined perceptions but entities affected by different stakeholders whose value is crafted together with these stakeholders.

The research objectives and research questions of this literature review are

1. How has branding as a marketing tool evolved in the last decades and how has the role of a consumer changed?
2. How are these changes related to brand value creation in society today?

This bachelor's thesis is structured as follows. First, I will review literature on branding logic and how branding as a marketing practice has evolved in the last decades. Second, I will review literature around branding relating to the themes of co-creation and service-dominant logic on marketing. Third, I will review literature on how the role of a consumer has changed. These sections of the thesis aim to answer the first research question. Finally, I will bring together the above mentioned themes and review literature on the implications of brand value co-creation, including managerial implications. These sections aim to answer the second research question.

2 Evolving branding logic

Marketing evolves over time and with people. Marketing as a strategic activity has evolved considerably in the last decades. Also, branding as a marketing practice has evolved since the theme of a brand was first introduced. Next, the evolving branding logic will be examined in more detail.

2.1 Definition of branding

The long history of branding goes back centuries. Greeks and Romans marked their animals and slaves. The use of fire was the aggressive act in marking property. The word branding originates from this link between fire and burning. (Bastos and Levy 2012.) Symbols and signs are important tools in branding, as branding is generally done by placing a mark or a symbol on an object. These marks and symbols are used to signify ownership and to create positive distinction from others. Branding takes both material and metaphorical forms and it can be considered to have both positive and negative meanings. (Bastos and Levy 2012.)

According to the product branding perspective, a brand name is a set of perceptions based on functional and emotional values and benefits which help to differentiate a product from another. Thus, brands simplify consumers' purchase decisions and guarantee the quality of products. Traditionally product branding practices focused on building the brand's extrinsic image (Iglesias et al. 2013.) Traditional branding highlights differentiation; a brand must fulfill meanings the consumer seeks and the competitors do not have because these unique selling propositions are the basics of a strong brand (Reeves, cited in Fournier and Avery 2011). Even though the initial idea of branding is rather simple, placing a name or a symbol on an object, branding, and the meanings and methods associated with it, have evolved considerably throughout the years.

2.2 The evolution of branding logic

Branding literature has evolved since branding practices were first introduced. As Vargo and Lusch (2004) have argued, during the last decades marketing has evolved into service-dominant logic. Branding can also be seen to have evolved similarly. Today, branding is increasingly process-oriented and all stakeholders are endogenous in the brand's value creation process. (Merz et al. 2009.) Merz et al. (2009) introduce four eras differing in terms of how brands were viewed and what the primary focus of a brand's value creation was; individual goods focus brand era, value focus brand era, relationship focus brand era, and stakeholder focus brand era. Next, these eras will be reviewed.

The concept of branding was first introduced in marketing literature in the early 1900s. Merz et al. (2009) refer to this first era as the individual goods focus brand era, set between 1900-1930s. The key concept was to offer customers a way to recognize and identify different goods. The early marketing literature considered brands as identifiers. Several case studies published in the Harvard Business Review in 1929 supported this view. After World War I the American textile industry started to identify products sold with brand names and this new market approach proved successful. During this era, brands were used to indicate ownership and for firms to take responsibility for their goods. This helped customers to identify a particular company's goods (Strasser, cited in Merz et al. 2009). Brand value was created at the time the products were sold and the value was an integral part of the physical product. Brands were targeted at potential customers who had a passive role in the brand's value creation process. Customers as well as brands were considered as operand resources. The brand value creation focused on the individual goods because brand value was considered endogenous to the physical goods and the value was determined through value-in-exchange. (Merz et al. 2009.)

After the 1930s, branding literature began to shift towards value-focus. This value-focus brand era sets between 1930-1990. Brands were not merely seen as identifiers but also as images. With these images firms created perceptions to enhance their competitive advantage and their value in their community (Welcker, cited in Merz et al. 2009). A specified brand image was needed to be communicated clearly to allow customers to differentiate a brand from its competitors (DiMingo 1988; Reynolds and Gutman 1984, cited in Merz et al. 2009) and also, to identify the needs a brand promised to fulfill (Roth 1995). The brand value creation was focused on creating the brand image. During this era brand scholars started to study the effects of a brand's functional and symbolic benefits to a purchase decision. Functional benefits refers to whether the brand fulfilled the customer's utilitarian needs and symbolic benefits refers to whether the brand satisfied the symbolic needs (Roth 1995). In this era brand scholars started to view brands as extending the good's attractiveness and, also, to stand on their own (Gardner and Levy, cited in Merz et al. 2009.). Brands began to be conceptualized and understood as more operant (symbolic value-focus) rather than operand (functional value-focus) resources. Customers were continually seen as operand resources who had formed brand associations and were consuming brands to satisfy their utilitarian or symbolic needs. Customers were continually seen as targets to whom firms promoted their brands. (Merz et al. 2009.)

The greatest distinction between the individual goods focus brand era and the value focus brand era was on companies' investigation of the effects of functional and symbolic benefit associations on customer's purchase decision. (Merz et al. 2009.) Scholars started to see brands adding value to goods by promising certain benefits. First, the focus was on the functional benefits of a brand; a brand satisfying the utilitarian needs of a customer. The literature highlights customers to select certain brands to satisfy their external consumption needs. Later, in the 1950s, the marketing literature suggests that firms could gain more competitive advantage by also promising to fulfill customers' internal needs such as self-enhancement, social position, group membership and ego-identification. Academics realized that consumers did not merely look to satisfy functional needs when purchasing a product but also to connect themselves to a desired role, group or self-image. (Merz et al. 2009.)

Around the 1990s the main focus in branding literature switched from brand image as the main driver of brand value to the customers role in the brand value creation process. Scholars recognized a more relational and interactive co-creation process between the firm, brand and a customer. The customer was seen as a significant actor in the brand value creation process. While the brand literature in previous branding eras argued that brand value is created through value-in-exchange, this relationship-focused brand era highlighted brand value was determined in customers' perceived value-in-use. During this era, the customer-firm, customer-brand and firm-brand relationships were investigated in depth and these three areas shaped the relationship focused branding era. (Merz et al. 2009.)

The customer-firm relationships were investigated in detail. This focus contributed the realization that brand value co-creation happens in the customer's mind. Previously it was argued that brand value is connected with the physical good, whereas customer-firm relationship emphasized the customer's perception of a brand and that value creation takes place in the mind of the customer. Brand equity was defined as a set of brand assets and liabilities, such as brand loyalty, brand awareness, perceived quality, and brand associations, linked in the customer minds to a brand name or a symbol. (Merz et al 2009.) Branding literature had evolved from viewing customers as an exogenous part to the brand to considering them as an endogenous part in the brand value creation process. Also, knowledge was increasingly linked to brands. Scholars pointed out that the shift from product-centered thinking to customer-centered thinking also called for a shift from product-based brand management to a more customer-centric brand management. (Merz et al. 2009.)

In the late 1990s and early 2000s scholars were interested in examining the roles of brands in customers' lives and the relationships customer have with brands. The customer-brand relationship focus contributed the understanding that value co-creation is relational and requires a process orientation instead of output orientation. In 2004 Vargo and Lusch suggested that marketing as a whole is evolving towards service-dominant logic that highlights value co-creation, process orientation, and relationships. (Merz et al 2009.) The evolving branding logic began to reflect similar development, because brands were considered increasingly as relationship partners. In particular, scholars discovered that customers form relationships with brands that match their personality. These brands provide ways for self-expression, self-definition and self-enhancement. The brand value was co-created through affective relationship customers form with the brands and determined through consumption or through pure perception. Additionally, brands' personality construct was studied more. Like humans, brands were considered to have personality characteristics. Customers were eager to form dyadic relationships with brands they were able to relate to and these brands were expected to play a positive and proactive role in their lives. (Merz et al 2009.)

During the same period, the firm-brand relationship was also studied. It was argued that not only external customers but also firm's employees co-create value. Employees were seen as an important aspect of the brand value co-creation and a way to achieve competitive advantage. Both external and internal customers were considered as operant resources. (Merz et al. 2009.)

In the early 2000s brand scholars started to shift their focus to examining the collective and dynamic processes underlying brand consumption in society. In particular, branding literature increasingly adopted a stakeholder perspective which signified that brand value was co-created in stakeholder-based ecosystems, stakeholders formed networks instead of solely bilateral relationships with brands, and brand value was dynamically created in interactions with different stakeholders. (Merz et al 2009.) During this stakeholder-focus brand era brand communities and their roles in value co-creation were studied. Research revealed brand value was increasingly co-created in community-based negotiations together with personal experiences with the brands. Compared to the relationship focus branding era, this era emphasized all the different stakeholders and their relevance in the brand value co-creation processes. (Merz et al. 2009.)

The branding literature in the past decades reveals how the branding literature has developed from identifiers, where the value is endogenous to the physical good, to new branding logic viewing brands as processes-oriented, where brand value is determined by the value-in-use and increasingly co-created by all the brand's stakeholders.

3 Towards co-creational branding logic

Analyzing the changes in the field of marketing over the course of the past 30 years, Cova and Cova (2012) identify three distinctive marketing methods that have had an important effect on the development of marketing thinking; relationship marketing, experiential marketing, and collaborative marketing. These approaches are interdependent. Collaborative marketing is grounded in the essence of service-dominant logic and value co-creation, where the objective is not to "market to" consumers but "market with" consumers. The value-co creation between the company and the customer becomes the key process in the collaborative marketing practices. Also, merging the roles of consumer and producer is a key proposition of collaborative marketing. (Cova & Cova 2012.) This evolvement in the field of marketing can also be seen emerging in the new branding logic; brands are increasingly affected by all stakeholders as the brand value is increasingly created in co-creation. Next, co-creational branding logic will be reviewed in more detail.

3.1 Consumer engagement and value co-creation

In the early 2000s Prahalad and Ramaswamy presented a series of essays stating that the core of economic value co-creation is changing from the firm's development department increasingly to the interplay between the consumer and the firm. This research area of value co-creation highlights that the value is produced in the interaction of the firm and the consumer and can contribute in manufacturing products and services. This series of articles gave birth to co-creation, which is a dominant force in the marketplace and in contemporary marketing research. As the importance of customer co-creation increases, it challenges the company-centric approaches generally. (Cova et al. 2011.)

Consumers are no longer merely a "passive audience" but want to interact with companies outside of the traditional consumption practices. Consumers engage in a number of ways to strengthen the relationship between the product, company or brand, which differs from traditional customer loyalty measures (Gummerus et al. 2012). Consumer engagement can be viewed as a psychological state that occurs due to interactive customer experience with an agent or object such as a firm or a brand (Jaakkola and Alexander, 2014). According to Brodie et al. (2011, p. 260), customer engagement can be considered as "a multidimensional concept comprising cognitive, emotional, and/or behavioural dimensions". In the marketing literature the term customer engagement is increasingly used together with value co-creation.

Value co-creation can be seen as a significant manifestation of customer engagement behaviours resulting from motivational drivers towards a brand or a firm beyond purchase practise (Fernandes and Remelhe 2016). Consumers want to participate in co-creating brand content and value in order to construct their own identities, to express themselves in a creative manner, to socialise with other consumers, and to enjoy unique experiences (Gambetti and Graffigna 2010). Co-creation occurs when the customer engages in spontaneous, elective actions rather than ones that have been predetermined (Fernandes and Remelhe 2016). Customer engagement behaviours also include extra behaviours that are driven by customers' own unique purposes and intentions instead of those driven by the firm (Jaakkola and Alexander, 2014).

3.2 Building on a service-dominant logic

As discussed, in recent decades marketing has evolved from output orientation towards process orientation where the role of the customer has changed from passive player in the marketplace towards co-working partner. In 2004, Vargo and Lusch presented the idea that marketing is evolving towards a new logic, service-dominant logic. According to this logic, service is the main domain of all exchange. The logic considers process orientation over output orientation and value is always co-created together with customers rather than exclusively by a firm and then distributed to customers (Vargo and Lusch 2004). This evolution in marketing is parallel to the evolution of branding. New branding logic emphasizes value co-creation between the firm and its stakeholders. Brands are considered to be dynamic and social processes and brand value is viewed as the perceived value of a brand by all of its stakeholders. (Merz et al. 2009.) The stakeholder-brand interaction is highlighted by many scholars. Brodie et al. (2006) emphasizes the role of brands in adding to the value of service. Prahalad (2004) argues that the brand itself becomes an experience and brand meaning can evolve for the customer through value co-creation. Fyrberg and Jüridardo (2009) build on the notion that the concept of brand is a consumer-generated resource existing in the consumer culture area.

Brodie et al. (2006) constructed a service brand-relationship-value triangle model underlying the central role of experiences between the stakeholders and the brand to co-create value. The model highlights the role of employees in brand experience co-creation processes. Fyrberg and Jüriardo (2009) builds on this model presenting three main actors participating in the brand value co-creation process. Brand Governor, Providers and Customers are all interacting and co-creating value for the brand. Also, the model views networks as resources for interaction. The empirical data stresses the important role trust and power play and also, the quality of the interaction in the networks. Also, the interaction between the actors is not limited to transactions or exchanges, but also includes personal relationships. The networks and the relationships between different stakeholders are eminent factors in successful co-creational processes. (Fyrberg and Jüriardo 2009.)

Value co-creation can also be viewed with an integrated framework for branding, a brand value co-creation model, later BVCC (Durme at al., cited Merz et al. 2009). The BVCC model emphasizes the idea that brand is constructed in collaborative, value co-creation activities where all stakeholders are involved together with the firm. All these stakeholders can be seen as resource-integrators that collectively co-create value for the brand. In addition, the model highlights that brand value is not created only with the end-customers but in a network of marketing relationships. In the traditional BVCC model the core of the model is the consumer or the organisation.

Iglesias et al. (2013) build on the brand value co-creation model from an organic view of the brand (OVB). They state that brands are built in a conversational environment through communication processes. Consumers use their experiences to create meanings and value together. Compared to the traditional BVCC models, they argue that "brand value is built in the conversational space where the organisation and the consumer meet" (Iglesias et al. 2013, p. 682). Brands are built in interactive processes in these spaces. Brands are considered as organic unities because they are created in the interactions of various stakeholders and parts of these processes are not controlled by the firm. The co-creation of the brand occurs in the conversational spaces where consumers and brands interact through frontline employees and brand interfaces, such as the product, packaging, visual identity and points of sale. The OVB views the brand value co-created in an evolving space subject to constant negotiation. (Iglesias et al. 2013.)

3.3 Open source branding in social platforms

Another term in the brand value co-creation context is open source branding. It refers to cultural conversations where consumers gain equal or greater say than marketers in how brands behave or what they look like. In open source branding consumers behave as creators and distributors of branded content. (Fournier and Avery 2011.) Open source branding requires consumers participatory, collaborative and socially linked behaviours. The new branding landscape has developed with social media platforms and techniques such as blogging, video sharing, social bookmarking and social networking. The landscape is complex and challenging and the level of collaboration may not be as high as presumed. Before, the brands were the ones setting the agenda on social platforms but now it is increasingly consumers who are the ones in charge of the agenda. (Fournier and Avery 2011.)

Fournier and Avery (2011) identify three managerial approaches brands have adopted in order to cope with cultural dynamics in social platforms; the path of least resistance, playing their game, and leveraging web 2.0 interconnectedness. The path of least resistance involves transmitting control of the brand to consumers, accepting the pressure of social media, and admitting to consumers' will. Playing their game relates to those brands that are seeking to gain cultural resonance by being where the customers are in social media and also, fitting in to what is taking place there. The final approach used by brands is leveraging web 2.0 interconnectedness. This strategy tries to claim control back to marketing management and to invite consumers to work on behalf of the brand. For brands to succeed in social spaces, they need to earn the right to participate. (Fournier and Avery 2011.)

As branding has evolved towards value co-creation, so has the role of the consumer evolved. Today, consumers are eager to play a more active role and participate more in co-creation with companies. Next, literature relating to the changing consumer role will be viewed.

4 Working consumer

Accompanied by the empowered role and rise of social technologies, consumers are eager to play a more active role in value creation practices in the market sphere (Fernandes and Remelhe 2016). Individualist consumers are taking a more active role. Consumers have pushed for more power and, as shown later, have been able to gain it, at least to a certain extent. The role of the consumer role can be considered to be empowered.

Consumer empowerment can be conceptualized in many ways depending on how power is identified and measured. Empowerment refers to the dynamic processes of gaining power where a variety of actions take place towards increasing power (Cattaneo and Chapman 2010). From the perspective of the sovereign consumer model, consumers are empowered when they are free to act rationally and according to their self-interest. Also, consumers are empowered when they combine their resources and skills in a way to make producers do something they would not have done without consumer participation. A cultural point of view considers consumer empowerment when consumers can create and manipulate spaces in the market where they can build their cultural identity. Discursive perspective sees consumers empowered when they can counteract companies' communication and this way influence credibility. (Denegri-Knott et al. 2006.)

Seybold (2001) announced the inevitable revolution of empowered consumer role when analysing sociological evolution together with technological development. With these developments, consumers are becoming more demanding when they are better informed and more intelligent. The empowered consumer role blurs the barrier between the role of consumer and producer formulating the new role of a consumer as prosumer (producer-consumer).

The prosumer term refers to the new consumer role that highlights consumers' participation in the production process. This states that the consumer's role is not limited to consuming practices but is wider, more active and constructive (Cova et al. 2011). Humphreys and Grayson state that "especially in an economy that values symbolic products like brands and fashion, so-called consumers are just as productive as the so-called producers from whom they buy products and services" (Humphreys and Grayson 2008, p. 5).

As the research around empowered consumer role is highlighting, the consumer role in co-creational processes is prominent. The change from a "passive audience" to "active co-producers" is indisputable. This more collaborative and interactive role of a consumer can be seen to have many sides. Some scholars see customers as merely unpaid workforce as customers are being taken advantage of by firms. Others see the consumers' increased engagement as a way for consumers' self-expression. What seems clear, however, is that this new consumer role needs to be examined from different perspectives.

For the consumer, the willingness to co-create demands a strong degree of product (or service) involvement. In co-creational processes customers need to use their knowledge and share creative ideas, but also a significant amount of time. Customers participate voluntarily only if they consider the process rewarding (Füller 2010).

Customers motivation to engage is dependent on their personal goals, resources and expectations of value outcomes or co-created value (Vivek et al. 2012). Some of the drivers for co-creation originate from customer's intrinsic motivators and values. Intrinsic motivation is a type of motivation where activity is done primarily for its own sake, whereas extrinsic motivation occurs when action is driven by an external incentive (Fernandes and Remelhe 2016). Customers might be motivated by the benefits of the behavior itself as the interaction experience with a firm could be a motivator (Gummerus et al. 2012). In brand communities, the motivation for the interaction and cooperation is purely a sense of altruism. Community members are often motivated to help other members and keen to participate in joint activities (Fernandes and Remelhe 2016.). Also, psychological factors such as the sense of self-expression and pure enjoyment of contributing in terms of creativity, are reasons for consumer participation in co-creation processes (Hoyer et al. 2010).

Customer engagement in co-creational activities may also be due to extrinsic benefits such as economic benefits, social benefits and enhanced knowledge (Füller 2006). Social benefits such as reputation within a desired group, expertise recognition (Hoyer et al. 2010) and reinforcing ties with significant others may support customer engagement. Individuals enjoy interacting in co-creation with like-minded others to collaborate, feel attached to and to create social relationships (Füller et at. 2010). Foster (2011) also highlights that as production and consumption integrate, it guarantees the customer a delivery of a unique value (Foster 2011).

This more engaged consumer role can also be examined from different perspectives as some scholars disagree with the advantages of the more engaged consumer role. Cova and Dalli (2009) state that consumers are not producers in the full sense of the word. Consumers do participate in the value production process and do produce economic value, but they do not receive revenue from the market. This point of view highlights that consumers are actually not partnering in co-creation processes but performing immaterial work, in particular, work that is unpaid. The threat of working consumers is that consumers might first agree in joint value co-creation but if a critical incident or crisis occurs, consumers might feel exploited by the company. (Cova and Dalli 2009.) This can lead to unsatisfied consumers and general criticism towards a company. The working consumer concept presented by Cova and Dalli (2009) states also that counter to the service-dominant logic perspective, consumer and producer roles do not, in fact, overlap, but rather move further from one another.

Zwick et al. (2008) argues that co-creation stands for modern corporate power. They see the co-creation economy driven by the need for corporations to experiment in new ways to look for technological, cultural and social competencies for monetary value. They argue that by inviting consumers for partnering in reciprocally useful innovation and production processes, companies exploit consumers as free labour and also reduce the risk of consumers behaving in ways other than desired by the company. (Zwick et al. 2008.)

Further, Cova, Dalli and Zwick (2011) continue the critics stating that not only are consumers giving their know-how, enthusiasm, and social cooperation for the company's use without reimbursement, customers need to pay a premium for the fruits of their own labour as the customization of services and products typically entail increases in prices.

4.1 The role of brand communities

Just as the role of the individual consumer have been empowered, so has the role of consumer communities. A form of consumer empowerment is brand communities. In early 2000 several researchers expressed interest towards the behaviour of consumers sharing the same passion or ethos and gathering together forming a group. As technological development allowed these consumers to form groups online, the brand community concept was invented. Brand community is defined as a specific, non-geographically combined group with a set of social relations among fans of a brand. (Muniz and O'Guinn 2001.) Brand communities are not based on interaction with peers, but more on personal self-expression through marks and rituals that are linked to the brand (Cava and Pace 2006). Consumers form relationships with brands that are similar to those formed with human relationships and consumers expect brands to react in a way that is consistent to the type and history of the relationship (Weijo et al. 2019).

Brand community literature considers the relationship in the community as consumer-brand-consumer triad. Muniz and O'Guinn (2001) states that brands are social objects and socially constructed and brand communities can be actively involved in this creation. They argue that brand communities can affect brand equity. Brand communities can lead to enhanced brand loyalty and create stronger consumer-brand relationships. Also, a brand that has a strong brand community has more value to the marketer than a brand that has a weak brand community. (Muniz and O'Guinn 2001.)

According to Gebauer et al. (2012) active consumers can participate in a company's development processes through online co-creation and innovation communities. These communities can enhance company's innovation processes with generating and evaluating new ideas, challenging concepts and creating virtual prototypes. Also, these communities are a way to form valuable relationships with potential and existing customers and to enhance loyalty. For the community members, communities are a great way to form relationships and to create a sense of community. Online innovation community members will react positively in co-creation processes if they are satisfied with the outcome, perceive they are being treated fairly, and experience a strong sense of community. (Gebauer et al. 2012.)

However, these interactions with community members and a company are not always solely positive but can evoke negative reactions even in situations where the co-creation processes were first indented positive. Gebauer et al. (2012) present an example of a process by Kraft Foods that launched a competition to choose a new name for its spread Vegemite. Eventually after the contest, the participants were not pleased with the chosen winners and to make their dissatisfaction heard they formed active resistance.

Dissatisfaction and perceived unfairness are the triggers for dysfunctional behaviour. (Gebauer et al. 2012.)

Literature of brand communities highlight fostering the brand community and marketer relationship. As the community is often formed with true believers of the brand, the community can try to claim ownership of the brand from the brand managers. (Cova and Pace 2006.) Gebauer et al. (2012) state that to cope with negative situations and conflicts with online innovation communities, it requires open dialog in public together with co-negotiation and co-moderation.

As some brand communities are active in participating in brand value co-creation or innovation processes, some most active brand fans can take their participation to the next level. Vigilante marketing refers to marketing where consumers are acting as self-appointed doers of justice and promoters of a brand. Muñiz and Schau (2007) defines it as “unpaid marketing efforts, including one-to-one, one-to-many, and many-to-many commercially oriented communications, undertaken by brand loyalists on behalf of the brand.” (Muñiz and Schau 2007, p. 187). Some of these efforts are contrary to the official ads produced by the brands.

To be able to succeed with co-creation in innovation and brand communities, the right management of these communities and possible crisis management within them is crucial. According to Weijo et al. (2019) a brand transgression and the following communal coping process can affect the dynamics of the co-creation process between the marketer and a brand community. Also, the collaboration with a brand community can turn to destroy the brand value. If a brand faces a crisis between the brand community, it is crucial for the brand management to gain awareness and monitor this transgression. Brand management also needs to understand and acknowledge community concerns and the dimensions of these. To solve a crisis, brand management needs to work with the community to find solutions and to rebuild trust. (Weijo, Bean and Rintamäki 2019.)

Next, the implications of changing consumer role in brand value co-creation will be reviewed.

5 The implications of brand value co- creation

The increased willingness of consumer engagement and brand value co-creation can be seen as a two sided coin. On one side, co-creation practices possess several benefits for corporations. It benefits the innovation processes of the corporation (Gebauer et al. 2012), is a beneficial way to establish relationships with potential customers, increases loyalty amongst existing customers turning them into brand advocates (Füller 2010; Gyrd-Jones and Kornum 2013), and increases the match between the brand and the consumer tastes (Arvidsson, cited Gebauer et al. 2012).

The changing consumer role can increase risks among companies. One of the main threats for corporations is a gap between the brand promise made by the corporation and stakeholder perceptions of the brand. A gap may cause consumers and other stakeholders to reject the brand. If they reject the brand promise, this implies a clear transfer of power from the corporation to consumers and other stakeholders. (Iglesias et al. 2013.) Corporations do manage the legal ownership of their brands but several stakeholders share a major part of the emotional ownership of the brand. (Iglesias et al. 2013).

The co-creation processes are not always problematic nor uncomplicated. The quality and type of interaction in brand value co-creation processes was found to be a crucial factor for successful value co-creation also by Aspara et al. (2014). Before, research had emphasized harmonious co-creational processes between the brand's stakeholders. However, with empirical data collected, the study by Aspara et al. (2014) reveals that co-creational brand development processes can be problematic and contested due to the type of interaction and the roles between different stakeholders. This study highlights the struggle between different stakeholders due to two aspects; first, it may not be clear who the customers and suppliers of a brand are and what their value creation relationship between each other is. Second, brand's customers and other stakeholders might have a tendency to create interactions with each other that dilute rather than strengthen the mediating role of the emerging brand. Some stakeholders question new brand promises and disagree with them. Also, the study states that there are no predefined roles as the control and resistance of brand shifts over time. (Aspara et al. 2014.)

Aspara et al. (2014) highlight how reciprocal value-creation and interaction between the brand's different stakeholders do not inevitably facilitate the creation of a strong brand. In fact, resistance and struggles between stakeholders and stakeholder identities may postpone the branding process and overall change the development of the brand identity. Further, the study reveals how organizational attempts adopting the new branding logics creates contradictory and adversarial interpretations among different stakeholders about the roles and identities related to the brand. These heterogeneous interpretations cause struggle and resistance which lead to shift the essence and the control of the brand itself. While brands are becoming more valuable as they penetrate consumer consciousness, they also tend to disengage themselves from the control of their original advocates. (Aspara et al. 2014.)

5.1 Managerial implications

Traditional marketing is considered controlled and structured strategic activity involving communication, media and promotion plans. As the creation of brand meanings and entities transfer more in collaboration with consumers, many aspects of traditional brand management seem outdated. In traditional brand management, long-term asset cultivation is the main focus. Marketing programs are developed to build brand equity and shareholder value. In the new world of short-term cultural phenomena affected by social empowerment, criticism and transparency, the traditional focus can no longer be deployed alone. (Fournier and Avery 2011.)

As consumer engagement in the marketplace is increasing, traditional marketing and branding practices need to evolve. Brand managers need to adjust to the new environment where controlling all the aspects of a brand is impossible. (Iglesias et al. 2013.) Haarhoff and Kleyn (2012) state that brand managers can guide, influence and inspire consumers to create brand meanings but one-sided creation of all brand aspects is no longer possible. There is clear distinction between techniques required and demanded for brand managers to stay in the game and maintain ownership of the brands, at least to a certain degree. The literature on managing co-created brands highlights a distinction between brand core attributes and outer periphery, the importance of fostering good relationships with all brand's stakeholders, and also, to some degree, brand protection.

As brand value is increasingly co-created together with consumers, brand managers need to be aware of the methods managing the co-creational processes. Cova et al. (2011) highlights that in value co-creation companies must provide well managed and dynamic platforms for consumers to co-create, which both frees the creativity and expertise of consumers and channels consumer activities in ways suitable for the company. Brand value co-creation challenges traditional value propositions as well as the traditional brand management style. Brand managers need to provide direction for the brand, but they also need to be able to accept that brand meanings are continuously negotiated with all stakeholders. (Iglesias et al 2013.)

A study by Gyrd-Jones and Kornum (2013) adds to the knowledge of how co-creational brands should be managed. They suggest distinctive ways to manage the co-created brands. The brand co-creation strategies should be based on an expression of core elements of the brand and a negotiable periphery. This means a company should draw a clear distinction between the core elements of a brand that are non-negotiable, such as brand logo and brand values, and negotiably outer periphery, such as new product development, channel innovation and distinctive business processes. Stakeholders could be included more in the negotiably outer periphery. This division allows the company to remain consistent to the brand's core values yet allows it to be flexible enough to adjust to market dynamics. While the core elements are more stable than the periphery and create a reference point for the brand's stakeholders, the core is also dependent on the interaction between the company and the stakeholder ecosystem. (Gyrd-Jones and Kornum 2013.)

Involving different stakeholders in both the brand's core and periphery elements can make the brand stronger in two main areas. First, in the product development process the focus could be taken away from the company designers to include views from important stakeholders and core customers. Second, with an example of LEGO, when the company shared the core values of the brand, creativity, learning, imagination, and entrepreneurship with its stakeholders, it allowed the brand to develop in radical ways while maintaining the manifestation of its core values. (Gyrd-Jones and Kornum 2013.)

Gyrd-Jones and Kornum (2013) state that interaction with stakeholders strengthens the creation of the brand value and identity. The authors highlight the need to focus on cultural complementary as a one core factor when managing stakeholder interactions. The brand's co-creation processes need to maintain strong mutual respect towards the cultural identities of the stakeholders involved (Gyrd- Jones and Kornum 2013).

According to Iglesias et al. (2013) the organic view of the brand, OVB, highlights that in order for the brand managers to be able to manage brands, they should lighten the control over brands. A company can only influence some of the many factors in the process of co-creating a brand. According to the OVB, these would be the brand interfaces such as the product, packaging and visual identity. Also, the OVB emphasizes a leadership style that is humble, empathic, participatory and transparent. The obsession of control should be replaced with persuasion and the ability to influence (Iglesias et al. 2013.)

Several studies emphasize the importance of relationships and the type of interactions between different stakeholders of the brand. The empirical data by Fyrberg and Jüriardo (2009) stresses the importance of trust and power and the quality of interaction within the networks of a brand. The interaction between the actors does not limit to transactional exchanges but also personal relationships. The networks and the relationship between different stakeholders are eminent factors in successful co-creational processes. Merz et al. (2009) suggest the brand managers should invest resources in building relationships with all the stakeholders of a brand and a service-dominant firm philosophy should be built around brand value co-creation.

Lewnes and Keller (2019) present key implications marketers should consider in modern marketing. Marketers must be aware of the technological developments to adopt new possibilities it enables to their business. To fully understand the possibilities of modern marketing, marketers should consider the transformation broadly; what are the implications for people, processes, and technology. Customer experience should be considered through all possible customer touch points form how companies and brands are perceived. (Lewnes and Keller 2019.) With technological developments, companies must be active in the platforms consumers participate. Social platforms are crucial together with the integration of all channels. To build strong brands today, immersive experiences for customers are a requirement (Lewnes and Keller 2019).

Fournier and Avery (2011) present three approaches for brand management in the age of consumer engagement and social media. First, they suggest brand management focus should shift to brand protection. Brand management may increasingly be considered as risk management that focuses on assessing and controlling risks. Instead of focusing on the traditional 4 Ps of strategy, product, pricing, place and promotion, new brand management strategies should identify and evaluate different risk factors threatening the brand equity. A key factor in protecting brands is the brand reputation. Brand managers could draw insights from public relation management as protecting the reputation is best aligned with reputation management. (Fournier and Avery 2011.)

Second, Fournier and Avery (2011) highlight that new brand practices demand opportunism, flexibility and adaptation of some part of brands. The focus needs to shift from strategic planning to execution excellence. Brands win through excellence in execution rather than through coherent planning. Excellence in execution is driven by principles of public relations together with traditional marketing ideas. The success formula in the age of social media is simple; brands need engaging content, and a plan that helps this content to go viral and to be shared. Third, is the importance of cultural resonance. The greater goal of brand management should be in creating meaningful cultural conversations. Managers succeed when they are able to craft branded artifacts, cultural icons and social rituals instead waiting for consumers to create these. (Fournier and Avery 2011.)

6 Conclusions

As examined in this literature review, branding as a marketing practice has come a long way. Brands are no longer solely company managed assets with predefined values and perceptions. Brand value is no longer created in value-in-exchange but in value in use. Before, brand value formed when goods were sold and the brand value was incorporated in physical goods. Customers as well as brands were considered as operand resources. The customer's role was to be the target of firm's brand promotions. (Merz et al. 2009.) Today, brand value is increasingly co-created in stakeholder-based ecosystems in interplay between different stakeholders (Merz et al. 2009). Individuals alone, and together in different networks such as brand communities, have an increasingly important role to play in brand value co-creation.

Consumer role in the marketplace is changing. Postmodern individuals want to create meanings themselves and live their own way, becoming co-producers of their own lives. (Cova & Cova 2012.) Technological developments have enabled consumers to gain access to a vast amount of information making consumers more intelligent and more informed to develop opportunities to influence their own lives (Labrecque et al 2013; Seybold 2001). Also, with the development of social platforms, consumers are able to create content and share experiences throughout the globe. Consumers, being better informed and aware of the new dynamics in the marketplace, are willing to engage more. This new, engaging consumer role blurs the boundaries between the consumer and the producer formulating a prosumer. This states that the consumer's role is not limited to consuming practices but is wider. This new role is more active and constructive (Cova et al. 2011).

As customer participation in co-creational processes increases, it challenges the company-centric approaches generally. As brand value is increasingly co-created among different stakeholders, brand managers can no longer stick to age-old brand management habits, but brands must be lead differently. Paradoxically, the more companies want to lead the game in brand value co-creation, the more they need to loosen their control over the brand. As stated by several scholars (Iglesias et al. 2013, Gyrd- Jones and Kornum 2013) companies can remain in control over some aspects of a brand, such as brand interfaces, legal aspects and the core values of a brand. However, the emotional ownership as well as the negotiable periphery of a brand should be co-created together with its stakeholders.

Literature of brand value co-creation highlights the importance of fostering good relationships with all the stakeholders of the brand. The value of co-creational processes is determined by the quality of the interaction between the company and stakeholders. Well managed relationships with brand's stakeholders can lead to increased brand value when poorly managed relationships can change the development of the brand identity in total. (Aspara et al. 2014.)

Today, in the age of social media, brand management practices demand opportunism, flexibility and adaptation of some part of brands. To some extent, brand management focus should shift to brand protection. In protecting brands, one key factor is the brand reputation. Brand managers could bring practices from public relation management as protecting the reputation is best aligned with reputation management. Possible risks should be identified and evaluated. Also, it is important for brands to create cultural resonance for consumers to relate to. Managers succeed when they are able to craft branded artifacts, cultural icons and social rituals instead of waiting for consumers to create these. (Fournier and Avery 2011.)

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